

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF POWELL'S VALLEY)	
WATER DISTRICT OF POWELL AND ESTILL)	
COUNTIES, KENTUCKY, FOR A CERTIFICATE)	CASE NO. 92-008
OF PUBLIC CONVENIENCE AND NECESSITY,)	
TO CONSTRUCT AND FINANCE A PROJECT)	

O R D E R

On January 2, 1992, Powell's Valley Water District ("Powell's Valley") filed an application for a Certificate of Public Convenience and Necessity to construct a \$820,200 waterworks improvement project and for approval of its plan of financing for this project. This project will provide service to 137 additional customers. Project funding includes a \$194,000 loan from the Farmers Home Administration ("FmHA"), a \$303,200 Community Development Block Grant ("CDBG") from the U.S. Department of Housing and Urban Development ("HUD"), a \$300,000 grant from the Appalachian Regional Commission ("ARC"), a \$10,000 grant from the Powell County Fiscal Court, and \$13,000 from applicants for service in the proposed project area. The loan will be for a 40-year period at an interest rate of 5 percent per annum.

The application of Powell's Valley was made pursuant to KRS 278.023 which requires the Commission to accept agreements between water districts and FmHA or HUD and to issue the necessary orders to implement the terms of such agreements within 30 days of satisfactory completion of the minimum filing requirements. Given that

minimum filing requirements were met in this case on January 2, 1992, KRS 278.023 does not grant the Commission any discretionary authority to modify or reject any portion of this agreement.

IT IS THEREFORE ORDERED that:

1. Powell's Valley is hereby granted a Certificate of Public Convenience and Necessity for the proposed construction project.

2. The proposed plan of Powell's Valley for financing with FmHA is accepted.

3. Powell's Valley shall file a copy of the "as-built" drawings and a certified statement that the construction has been satisfactorily completed in accordance with the contract plans and specifications within 60 days of the substantial completion of the construction certificated herein.

4. Powell's Valley shall monitor the adequacies of the expanded water distribution system after construction. If the level of service is inadequate or declining or the pressure to any customer falls outside the requirements of 807 KAR 5:066, Section 6(1), Powell's Valley shall take immediate action to bring the system into compliance with Commission regulations.

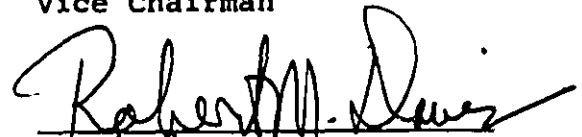
Nothing contained herein shall be deemed a warranty of the Commonwealth of Kentucky, or any agency thereof, of the financing herein accepted.

Done at Frankfort, Kentucky, this 31st day of January, 1992.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director